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United Nations Industrial Development Organization

Subregional Meeting on the Promotion of Intra-African Industrial Co-operation within the Framework of the Industrial Development Decade for Africa*

Addis Ababa, Ethiopia, 22-26 November 1983.

FINAL REPORT **

* Organized jointly by ECA, OAU and UNIDO in co-operation with the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area for Eastern and Southern African States (PTA).

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INTRODUCTION

1. The meeting on the promotion of intra-African industrial co-operation in the Eastern and Southern African subregion within the framework of the Industrial Development Decade for Africa was held at Addis Ababa, Ethiopia, 22-25 November 1983. The meeting was jointly organized by the Economic Commission for Africa (ECA), the Organization of African Unity (OAU), and the United Nations Industrial Development Organization (UNIDO) in co-operation with the Southern African Development Co-ordination Conference (SADCC) and the Preferential Trade Area for Eastern and Southern African States (PTA).

2. The purpose of the meeting was to bring together experts from the Eastern and Southern African subregion to discuss, identify and select priority areas and projects for multinational industrial co-operation. To that end, an initial integrated industrial promotion programme had been drawn up by the secretariats of the ECA, OAU and UNIDO, together with an indication of the modalities for its implementation, both of which were to be considered at the meeting.

I. PARTICIPATION

3. The experts came from the following countries: Burundi, Comoros, Ethiopia, Kenya, Madagascar, Mauritius, Mozambique, Rwanda, Swaziland, Tanzania, Zaire and Zimbabwe. The representatives of the following organizations also participated: East African Development Bank (EADB), Eastern and Southern African Mineral Resources Development Centre (ESAMRDC) and the Preferential Trade Area for Eastern and Southern Africa (PTA). The list of participants is attached as annex 1.

II. OPENING OF THE MEETING
(Agenda item 1)

4. The meeting was opened by Mr. Paul O. Etiang, Assistant Secretary-General of the OAU, who briefly described the activities to be undertaken during the preparatory phase of the Industrial Development Decade for Africa. As a contribution to that preparatory phase, the present meeting was aimed specifically at promoting intra-African co-operation in the development and implementation of multinational industrial projects. He anticipated that after a critical examination of the areas in which multinational core industrial projects and related support projects could be developed, the meeting would come up with an initial integrated industrial programme for the subregion as well as propose ways of implementing it.

5. He informed the meeting that the projects presented had been drawn from projects and project concepts emanating from Governments as well as from studies and missions undertaken by UNIDO and ECA. He also drew the meeting's attention to the economic situation prevailing in the African countries, in particular

their limited markets and their inadequate human, financial and technological capabilities: it would thus be necessary for States to pool their resources in order to be able to implement industrial projects, particularly in the core industries that had been identified in the programme for the Decade. That, he emphasized, would be a means of translating the oft declared commitment into concrete action.

6. In conclusion, he also welcomed the international support that had been lent to the African countries in their industrial development efforts, and he was confident that the international organizations as well as the subregional and regional organizations would continue to provide both technical and financial assistance.

7. Speaking on behalf of Prof. Adebayo Adedeji, Executive Secretary of ECA, Mr. M. Makramalla, Director of the Socio-Economic Research and Planning Division, summarized the joint endeavours of the ECA, OAU and UNIDO secretariats to contribute to the implementation of the programme for the Decade and outlined the objectives of the present meeting. He stressed that given the limited resources and capabilities available both to the countries in the subregion and to the secretariats of the three agencies, the choice of projects to be discussed had been restricted to those that were considered to have a maximum impact on the economy and capable of producing critical inputs in priority areas related to basic needs. In that connexion, he drew attention to the criteria for selecting multinational/subregional industrial core projects that were appended to the main document before the meeting.

8. He pointed out that some of the projects presented to the meeting such as the Ethiopian potash, the Tanzanian ammonia and the Zimbabwean steel expansion proposals, emanated from subsectoral committees and had been subsequently approved by the Council of Ministers of the Lusaka-based MULPOC. The successful implementation of those and other projects, however, would hinge upon the follow-up action taken by the States and co-ordinating agencies. It would be necessary to establish a subregional committee to continue the selection and promotion process and monitor the implementation of projects. Focal points would have to be set up to promote related projects at the national level, while pre-investment studies and related activities would have to be undertaken.

9. In conclusion, Mr. Makramalla underscored the fundamental importance of intra-African industrial co-operation. If the countries of the subregion were prepared to pool their resources and implement multinational projects, they could not only overcome the current constraints upon their industrial development, but they would also contribute to the realization of self-reliant and self-sustained industrialization.

10. Speaking on behalf of Dr. Abd-El Rahman Khane, Executive Director of UNIDO, Mr. S. Ndam, Chief of the Co-ordination Unit for the Industrial Development Decade for Africa, drew attention to the role that intra-African industrial co-operation could play in increasing Africa's share in world industrial production as envisaged in the Lagos Plan of Action. UNIDO had thus augmented, from its resources, the funds allocated by the General Assembly of the United Nations to the organization of the subregional meetings. He noted the positive co-operation that UNIDO had enjoyed with the secretariats of the ECA and OAU in preparing the meetings, and he welcomed the support expressed by the secretariats of the PTA and SADCC.

11. He stressed that the integrated industrial programme before the meeting was strictly an initial programme that would be reviewed at regular intervals and adjusted to the prevailing needs of the subregion. He underlined the need for intensified consultations between countries: they were essential in order to avoid undue duplication of effort and the over-extension of limited resources, to determine mutually beneficial co-operation arrangements, and to ensure the viability of the projects agreed upon.

12. The effectiveness of the programme would hinge on the ability to translate the political will of the countries into tangible action and on the leadership role to be played by those countries selected to host the various multinational projects. Equally important were the follow-up activities to be undertaken by the countries and co-ordinating agencies. In that connexion, he said, it would be necessary to carry out detailed pre-investment studies, investment promotion activities as well as technical and financial negotiations with potential investors. He underscored the crucial role to be played by the African regional and subregional intergovernmental organizations and financial institutions in the subregion and pledged the continued assistance of UNIDO, within the limitation of its resources, in the elaboration, promotion, implementation and maintenance of the initial integrated programme to be adopted at the meeting.

13. In conclusion, he informed the meeting that the Fourth General Conference of UNIDO would be held in July 1984, at which particular attention would be given to the problems and needs of Africa. He thus urged African countries to participate fully in the forthcoming General Conference of UNIDO so as to ensure that the interests of Africa were adequately taken into account in the recommendations to be made. Since a strengthened UNIDO would be of particular benefit to Africa, he also urged the African countries to continue their active participation in the efforts being made to finalize the transformation of UNIDO into a specialized agency of the United Nations. That active participation, he hoped, would also extend to the activities of the new agency, once established.

III ORGANIZATION OF THE MEETING (Agenda item 2)

Election of Officers

14. Ms. A. Mashanyare (Zimbabwe) was elected Chairperson, Messrs. Caabi-Elyachroutu (the Comoros) and P. Mohith (Mauritius) as Vice-Chairpersons and Mr. J.E.O. Mwencha (PTA) as Rapporteur.

Adoption of the agenda and organization of work

15. The agenda (see ID/W9.408/1) was formally adopted. It was also agreed to hold all discussions in plenary and to set up working groups only when necessary.

IV DEVELOPMENT AND IMPLEMENTATION OF A SUBREGIONAL INDUSTRIAL PROMOTION PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (Agenda item 3)

16. In introducing the paper the representative of the secretariat stated that the overall development and industrialization of Africa depended considerably on external factor inputs and other essential goods and services. In the Lagos Plan of Action industry had been accorded priority second to food and agriculture so as to ensure the rapid transformation of the economies of Africa.

17. The paper before the meeting had been subdivided into five parts. Chapter I gave a brief description of the overall economic structure and conditions in Africa, highlighting the salient points in the Lagos Plan of Action and the programme for the Industrial Development Decade for Africa. Chapter II dealt with the existing industrial structure in the subregion, strategies, policies and production patterns, including industrial collaboration arrangements within the framework of the PTA and SADCC.

18. Chapter III examined the concept of the core industries - resource-based and engineering - which offered a wide scope for multinational production. Five strategic industrial subsectors - agro and agro-based, metallurgical, engineering, chemical and building materials industries - were described and summaries given of those areas and services that supported industrial development.

19. Chapter IV contained the initial integrated industrial promotion programme derived from national projects, project ideas and concepts requiring multinational co-operation, and from subregional industrial projects that had been developed through the subsectoral intergovernmental committees on chemical, engineering and metal industries and agreed upon by the Lusaka-based MULPOC or within the framework of the PTA and SADCC. Twenty-five strategic core projects and eight

support projects had been identified, from which it might be necessary to identify priorities within priorities for the purpose of effective implementation. Chapter V proposed modalities for the implementation of the programme at the national and subregional level, outlining the role of Governments and intergovernmental organizations as well as of the co-ordinating and other agencies.

20. It was agreed that the discussions would follow the structure of the document containing the initial integrated industrial promotion programme (see ID/WG. 408/3) briefly described above. It was also pointed out that, in certain instances, the provisional translation into French of the document was problematical and would be subject to close scrutiny and careful amendment in light of comments raised during the discussion.

Introduction

21. Paras. 1-2. It was agreed to include an additional paragraph listing the countries covered by the programme and in some cases, such as Burundi, Rwanda and Zaire, citing the reason for their inclusion in the programme, while explaining the non-inclusion of projects from those countries.

Economic state of the region and the Industrial Development Decade for Africa

22. Paras. 3-13. It was agreed that the text as it stood was acceptable.

Industrialization in the Eastern and Southern African subregion

23. Paras. 14-15. It was felt that the subheading was not borne out by the contents of the paragraphs which, moreover, might be expanded to include more information on: (i) the basic manufacturing industries in the subregion; and (ii) the dependence of certain countries on South Africa.

24. Para. 16. It was suggested that in the paragraph emphasis might be given to the isolation of the small production units which were not linked to other major sectors.

25. Para. 17. It was not as indicated in subparagraph (f) the lack of political will since that had been expressed on numerous occasions, but rather the constraints upon operational measures needed to translate those expressions of political will into action. It was thus agreed to rephase the subparagraph as follows:

"(f) Difficulties in introducing operational measures supporting the political will to pool resources and establish basic industries at the national and subregional level."

26. Para. 18. It was agreed that it would be more appropriate to cite the share of manufacturing in the GDP for all the countries in the subregion, thus giving a complete picture of the total spread. In that paragraph as in other instances in the document the statistics cited related solely to the Member States of the OAU.

Strategic core industrial subsectors and areas in the subregion

27. Following an introductory statement by the secretariat on the concept of core industries and the benefits to be gained by selecting industrial subsectors in which a region enjoyed certain advantages (as evidenced by the industrial development of Japan), the meeting recognized that core industries were essential to the development of Africa. Engineering core industries, for example, would produce those industrial inputs which manufacturing establishments needed, but were unable to secure since foreign exchange was being diverted to purchase more essential food, fuels and pharmaceuticals. Those, in turn, could be produced by properly developed resource-based core industries. Given that situation, it was all important that core industries be considered in terms of their potential contribution to an integrated industrial development programme for the whole subregion.

28. In answer to a query, it was pointed out that the core industrial subsectors described in the report were all mainly related to food and agriculture, providing inputs such as fertilizers, pesticides, agricultural implements and equipment, equipment for the transportation, processing and storage of agricultural produce and food, power-generation and transmission equipment, as well as iron and steel, and copper.

29. It was explained that the provision of an inventory of resources and requirements in the various subsectors went beyond the scope of the document which was strictly a reference document. An inventory of that kind had been proposed as a joint ECA/ITC/UNIDO project for an inventory of market demand and supply in the sub-Saharan region, but current financial constraints in UNDP did not permit its implementation.

30. Para. 34. It was suggested that the industrial structure described in the first sentence should ensure: (i) the exploitation, processing, utilization and other general development of natural resources; (ii) linkages between the different industrial subsectors, specifically those producing capital goods, intermediates and consumer goods; and (iii) linkage between national industrial productive capacity and other priority sectors.

31. Para. 37. In line 6 it was proposed that the words' through such facilities as foundries, forging and heat-treatment shops, tool rooms, metal fabrication shops, machine shops and metal-coating shops' should be inserted after the words 'engineering industries'.

32. Para. 43. The term 'Lake Malawi' should be changed to 'Lake Nyasa' and it was suggested that Lake Tanganyika should also be included in the listing.

33. Para. 44. It was agreed to redraft the paragraph so as to emphasize the problems hindering trade between the countries of the subregion.

34. Paras. 45-46. It was agreed to redraft the paragraphs so as to give greater prominence to the problems affecting communications.

35. Paras. 47-49. It was felt that the last sentence overplayed the situation. It was suggested that it be deleted and an additional sentence included in the paragraph prior thereto emphasizing the benefits to be derived from the exchange of skilled labour between countries in the subregion.

Initial integrated industrial promotion programme

36. Before entering into consideration of the individual projects contained in the programme, the meeting considered the question of classifying the projects that ab initio were recognized to be priority projects. The projects, it was explained, had been drawn from a larger number of projects that had been previously considered at meetings of subsectoral intergovernmental committees, the Council of Ministers of the Lusaka-based MULPOC and UNIDO investment promotion fora or that had been submitted direct by Governments in response to requests from the secretariats. The short list of projects as presented in the document, though perhaps not short enough, had been drawn up on the basis of the criteria for selecting multinational/subregional industrial core projects contained in annex 1. However, given the difficulty of selecting from a body of projects of a similar nature, it was felt more appropriate to consider the feasibility of their implementation within the short/medium (0-10 years) and long (10 years or more) term. The meeting adopted that time-frame for the classification of the projects contained in the programme.

37. It was noted that certain countries had no projects in the programme, while a question was raised as to the need to consider only those projects that had been the subject of negotiation with, and received the approval of, the majority of countries in the subregion. On the other hand, it was also opined that projects did not have to meet with the approval of the majority in the subregion, but only of those countries immediately involved. In both instances, however, it was recognized that subregional support was essential and the participants were encouraged in their capacity as experts to present their recommendations to their respective Governments or intergovernmental organizations.

38. It was pointed out that the current economic crisis had modified certain parameters and induced constraints. It was important to consider as priorities the rehabilitation of certain industries, the promotion of export-oriented

industries and the production of capital and intermediate goods. Political and economic considerations varied from country to country with the result that priorities likewise varied in each country.

39. In the course of the discussion it was also confirmed that the subregional structure of the programme did not preclude co-operation with countries in other subregions.

40. In conclusion, it was felt that given the continuous nature of the process it was appropriate to review the projects in terms of their current stage of development and consider any new proposals that might emerge during discussions. Once the stage of development of each project had been identified, the projects could be listed according to their implementability in the short/medium or long term. To that end, it was essential that the participants provide the meeting, wherever possible, with additional data on the projects proposed, their linkage with national plans and the implications they bore for the subregion so as to be able to analyse what each project involved and then determine their location within the agreed time-frame: short/medium or long term.

41. Prior to entering into a discussion of the initial integrated industrial promotion programme, the participants were provided with: (i) a paper on the industry-related recommendations and resolution emanating from the sixth meeting of the Council of Ministers of the Lusaka-based MULPOC held at Mbabane, Swaziland, 14-16 February 1983; and (ii) the reports of the recent meetings of the Intergovernmental Committees of Experts on Chemicals and Engineering Industries for Eastern and Southern Africa, and of the Eastern and Southern African Steel Development Committee.

Metallurgical industries

Iron and steel subprogramme

Project profile 1: Upgrading and diversification of products from ZISCOSTEEL Zimbabwe

42. The expert from Zimbabwe briefly described the status of the project which was designed to upgrade and diversify products from ZISCOSTEEL, Zimbabwe, and to meet not only domestic demand but also subregional needs. It was reported that feasibility studies had been undertaken and submitted to the Government of Zimbabwe for its consideration. At the same time, the company had taken steps to re-organize its operational activities and develop critical manpower capabilities. The meeting was informed that to date only Malawi had expressed interest in and established a demand for ZISCOSTEEL products. In conclusion, the expert appealed to countries in the subregion to provide Zimbabwe with details of their demand for ZISCOSTEEL products so as to enable the company to finalize its expansion plan.

43. In the discussion which followed, some participants sought clarification on the projected demand figures in relation to projected production capacity and market. Since the figures in the revised project profile only reflected the market demand in Zimbabwe, an indication should be given of projected subregional demand.

44. The project was recommended for implementation in the short/medium term.

Project profile 2: Expansion of iron and steel mill, Uganda

45. The expert from the PTA informed the meeting that the project had been included in the industrial programme of the PTA. The project would be linked to ZISCOSTEEL through supply/purchase arrangements for billets and ingots. In the long term, however, Uganda would try to develop its own domestic raw material inputs.

46. The project was recommended for implementation in the long term.

Project profile 3: Integrated iron and steel mill, Kenya

47. Following a brief description by the expert from Kenya of the current status of the project, in which he stated that a feasibility study was being awaited from Austroplan and the Government envisaged subregional co-operation in the procurement of raw materials, it transpired that at the current juncture the project could be deemed national in character. It was therefore agreed that the host country should continue its efforts to seek subregional support for the project, especially after its further elaboration with the assistance of UNIDO.

48. The project was recommended for implementation in the long term.

Project profile 4: Direct reduction plant for the production of sponge iron, Angola

49. Following a brief description of the project by the expert from the PTA and an extensive discussion, it was agreed to defer consideration of the project as a multinational project in the current programme for want of adequate information. The project could be reconsidered at a future date, within the framework of either the Central or Eastern and Southern African subregion, once the relevant information had been obtained with the assistance of UNIDO.

Project profile 5: Direct reduction plant for the production of sponge iron, Mozambique

50. In his presentation, the expert from Mozambique indicated that detailed technical information would be provided by a colleague who was scheduled to join the meeting later. He also requested that UNIDO, ECA and OAU should take follow-up action with his Government to obtain additional information. Pending receipt

of that information, the expert from Mozambique requested that the project be considered at a later date.

Project profile 6: Acierie de Maramanga (Iron and Steel Plant), Madagascar

51. The expert from Madagascar described the project as a national project of interest to neighbouring island countries. It still faced some financial and technological problems. In the final analysis, however, it was agreed that it was strictly a national project and therefore could not be retained within the subregional programme at the current juncture.

Project profile 7: Precision grey iron foundry, Kenya

52. The expert from Kenya explained that his Government had commissioned a Yugoslav company to undertake a feasibility study of a precision casting foundry and that his Government welcomed participation by other countries in the subregion.

53. Attention was drawn to the contradiction between the project title and the products to be manufactured. Furthermore, whereas production capacity, if for precision castings, warranted consideration as a subregional project, that did not apply if the products were to be grey iron castings, for which many foundries already existed in the subregion.

54. It was therefore agreed not to retain the project in the current programme, but to consider it at a later juncture once the above details had been clarified.

Engineering industry

Engine manufacture subprogramme

Project profile 8: Manufacture of diesel engines for tractors, trucks, lorries and buses, Zimbabwe or Kenya

55. Though still at the conceptual stage, the project deserved highest priority by virtue of the fact that it related to the engineering industry which was of vital strategic importance to self-reliant and self-sustained industrial development. The project was also closely related to the rehabilitation of the ZISCOSTEEL mill.

56. Pending the receipt of information from either of the two host countries proposed, the project was recommended for implementation in the short/medium term given its relationship to other subregional projects in the same sector.

Road transport subprogramme

Project profile 9: Manufacture of diesel engine-mounted chassis for lorries, trucks and buses, Ethiopia, Mozambique and Tanzania

57. The basic principles governing the project were identical to those outlined in project profile No. 8. Consequently, the meeting accepted the inclusion of the project in the subregional programme subject to the outcome

of the pre-investment studies. In view of the fact that the project comprised several components, the proposed locations were accepted in principle.

58. In any event, given the close relationship of the project to other subregional projects in the same sector, in particular project profile No. 8, it was also recommended for implementation in the short/medium term.

Project profile 10: Manufacture of low-cost, standard multi-purpose vehicles, Botswana, Madagascar, Mozambique, Uganda and Zambia

59. The project was seen to include three production lines and locations in several host countries. The expert from Madagascar informed the meeting that his country had developed a prototype multi-purpose vehicle for rural areas.

60. Given the lack of precise details, it was felt that more detailed information was essential, in particular from Madagascar. None the less, the importance of the project, though still at the conceptual stage, was recognized, and it was recommended for implementation in the long term.

Agricultural machinery and equipment subprogramme

Project profile 11: Manufacture of agricultural machinery (4-wheel tractors), Zimbabwe

61. Despite the lack of information on the project, its urgency was recognized given the inordinate number of tractors that were currently imported into the subregion. The project was thus recommended for implementation in the short/medium term, all the more so in view of its close relationship with project profile No. 8.

Project profile 12: Irrigation equipment plant, Zambia

62. In view of the contribution that irrigation made to increased agricultural production and hence to the achievement of self-sufficiency in food, the project was seen to deserve high priority. Thus, despite the lack of information given in the profile on the subregional aspects which should be provided as soon as possible by the sponsor, the project was recommended for implementation in the short/medium term.

Energy equipment subprogramme

Project profile 13: Re-rolling mills for sections and bars for high-tension electricity transmission in Eastern and Southern Africa

63. The project was recognized to be important as it related to energy, an all-important factor in industrial development. It was also pointed out that the project was eminently suited to co-operation between two subregions. Given its importance at both the national and subregional level, the project was recommended for implementation in the short/medium term.

Project profile 14: Copper fabrication plant for Eastern and Southern Africa

64. The meeting considered it more appropriate to term the project 'Fabrication of copper cables and conductors'. It was also pointed out that the figures quoted for demand and capacity were incremental figures for the whole subregion over and above current levels of demand and production. Despite the otherwise sparse information, the project was recommended for implementation in the short/medium term.

Project profile 15: Manufacture of transformers, Zambia

65. Given the extensive imports of transformers into the subregion, it was recognized that the project was very important. Pending the completion of the feasibility study, the project was recommended for implementation in the short/medium term.

Chemical industry

Fertilizers subprogramme

Project profile 16: Ethiopian potash

66. It was noted that the markets for the products, which included the Asian market, were clearly defined. Pending the completion of the feasibility study which would indicate the time required to establish the extensive infrastructure needed to move 1.5 million tons of potassium chloride per year, the project was recommended for implementation in the long term.

Project profile 17: Tanzania multinational ammonia/urea project

67. The expert from Tanzania reported that with the feasibility studies and all other ground work complete, the investment decision was imminent and the plant was projected to come on stream in 1988/1989. The meeting's attention was also drawn to a smaller urea plant in Madagascar that was coming on stream in 1984 and would sell surplus production for export. However, since the escalating subregional demand for ammonia was seen to exceed projected supply, it was felt that the output of both plants could be absorbed. The project was thus recommended for implementation in the short/medium term.

Project profile 18: Phosphate fertilizer plant, Uganda

68. The expert from the PTA reported that the International Development Association (IDA) had provided funds for the conduct of a feasibility study. The project was also oriented towards meeting demand in neighbouring countries and it was felt that consumption in the subregion was such that the production of both the plant and that described in project profile No. 19 could be absorbed. The project was thus recommended for implementation in the short/medium term.

Project profile 19: Phosphate fertilizer plant, Zimbabwe

69. The expert from Zimbabwe explained that the project comprised two phases: (i) expansion of a sulphuric acid production plant; and (ii) exploitation of phosphate deposits for the production of phosphoric acid. The first phase was well advanced: raw materials were readily available, no feasibility study was needed, financing was being negotiated with the European Investment Bank and interest had been shown by the World Bank. The second phase required a much higher level of investment.

70. Given that the project would also provide intermediates to fertilizer production in neighbouring countries, it was recommended that the first phase be implemented in the short/medium term and the second phase in the long term.

Project profile 20: Fertilizer project, Kenya

71. The expert from the PTA reported that the equipment for the project was on site in Mombasa, Kenya. The expert from Kenya explained that the subregional component in the project was the supply of raw materials from neighbouring countries. The supply of phosphoric acid should be ensured by the project described in project profile No. 19 and that of ammonia by the project described in project profile No. 17. However, given the fact that the project was tailored to domestic needs and involved no outside participation, it was agreed not to retain the project in the subregional programme.

Basic chemicals subprogramme

Project profile 21: Production of caustic soda, Kenya

72. The expert from Kenya supplemented the information contained in the project profile, pointing out that adequate raw materials were available, an energy-saving production process (causticization) was to be used and the product could be readily marketed in the subregion. The project was recommended for implementation in the short/medium term.

Agro-and agro-based industries

Forest products subprogramme

Project profile 22: Expansion and modernization of Zambezi Paper Mills Ltd. Ndola, Zambia

73. Given that the project was purely national in its orientation and several countries in the subregion had similar production facilities, it was decided not to retain the project in the subregional programme.

Building materials industry

Cement industry subprogramme

Project profile 23: Mauritian cement corporation

74. The expert from Mauritius explained that a feasibility study had been undertaken by UNIDO several years earlier, but it had not been followed up as the plant site selected had not been accepted on environmental grounds. Renewed interest was being shown and studies would be conducted over the next two years. A new environmentally acceptable site had been chosen, no energy problems were foreseen and the availability of coral sand and other raw materials was given with imports of gypsum and silica (about 5 per cent of total inputs) possibly from Madagascar, which also had a cement industry. The project was described as a national project with a subregional raw material supply component. It would also reduce the expenditure of foreign exchange on cement imports to Mauritius and provide an opportunity to export to neighbouring island countries.

75. Despite certain reservations about the level of production, the project was recommended for implementation in the short/medium term and the host country was requested to expand the scope of the project.

Project profile 24: Slag-cement plant, Zimbabwe

76. The expert from Zimbabwe pointed out that the project would improve the economic viability of the project described in project profile No. 1. The basic raw material, furnace slag, was readily available at the steel mill. It was cautioned that cement over-production might ensue if the project was implemented, although it was pointed out that it represented a much cheaper source of cement than establishing a conventional cement plant. It was also suggested that a preparatory mission be sent to Zimbabwe to obtain full details, since the local authorities had not made provision for the project inputs.

77. Given the lack of adequate information in the profile, it was suggested that the project be studied further as a support project, whereafter a decision could be made as to its implementation.

Ancillary products subprogramme

Project profile 25: Sheet glass production, Madagascar

78. Following an explanation of the production processes involved (Foucault or Pittsburgh) and confirmation of the market demand by the expert from Madagascar, it was pointed out that Kenya had some of the raw materials that Madagascar would need to import. It was felt that the subregion could accommodate three projects of a similar size given the demand in the subregion,

and it was reported that Kenya had approved a 20,000 ton per year project in the same field. Caution was expressed about the use of fuel oil as the main source of energy, although in the case of Madagascar that could be replaced by electrical energy or coal. The project was recommended for implementation in the short/medium term.

Multinational support projects

Institutional infrastructure subprogramme

Project profile S1: Transformation of Serere research station into a subregional R + D centre

79. The project was seen to serve the interests of the subregion and was thus recommended for implementation in the short/medium term.

Project profile S2: Assistance to the African Regional Organization for Standardization (ARSO) and the African Institute for Higher Technical Training and Research (AIHTTR)

80. It was recognized that both projects described in the profile were of particular importance to the subregion, and they were thus recommended for implementation in the short/medium term.

Industrial manpower development subprogramme

Project profile S3: Inventory of subregional training facilities

Project profile S4: Managerial and technical personnel training

Project profile S5: Development of industrial consultancy and management capabilities

81. The particular significance of the three projects was recognized and their implementation within the short/medium term was recommended. It was also suggested that within the institutional infrastructure subprogramme an inventory should be made of the industrial structure of the subregion.

Project profile S6: Development of local entrepreneurship (Directory of small-scale industrial project profiles)

82. It was recognized that local entrepreneurs with good ideas should be encouraged to invest in industrial activities. One way of arousing their interest would be to provide techno-economic information in the form of project profiles. Given the importance of the project, it was recommended for implementation in the short/medium term.

Other support projects

Project profile S7: Processing of fish and other sea foods

Project profile S8: The improvement and development of the cement industry

83. In view of the need to promote the development of the subsector it was

essential to undertake further studies. Both projects were recommended for implementation in the short/medium term.

84. During the discussion of the support projects, it was proposed that chapter III should be expanded to include descriptions of three additional important support areas: technology, mobilization of financial resources, and institutional infrastructure.

The implementation of the subregional integrated industrial promotion programme

85. It was agreed that the introduction to the final chapter of the programme should include a section underscoring the continuous nature of the programme and urging Governments and subregional intergovernmental organizations to continue submitting project proposals.

86. The meeting had no comments to make on the actions to be taken at the national level. It was felt, however, that whereas it was advantageous to have subregional subsectoral committees to select and implement projects (see subparagraph 92(b)), it would be useful to have only one subregional committee to co-ordinate their activities. That would entail changing the description contained in subparagraph 94(c) to read:

> "(c) Establishment of a subregional co-ordinating committee, under the aegis of the PTA and SADCC, to review and update the subregional integrated industrial promotion programme, monitor its implementation and co-ordinate the activities of the subsectoral committees described in subparagraph 92(b)"

87. It was also suggested that the phrase 'Upgrading of the subregional industrial programme' be inserted at the beginning of subparagraph 94(a), while the words 'industrial planning' should be included in the first line of subparagraph 94(d).

ADOPTION OF THE REPORT (Agenda item 4)

88. At its final session, the meeting adopted the report and authorized the secretariat to finalize it in the light of the amendments. In view of the paramount importance of the subregional programme, the secretariat was also requested to consolidate all four subregional programmes in a composite document to be given wide circulation.

CLOSURE OF THE MEETING (Agenda item 5)

89. Speaking on behalf of the experts from Madagascar and Mauritius and himself, the expert from the Comoros congratulated Ms. A. Mashanyare on the courageous manner in which she had chaired the meeting. The Rapporteur expressed the wish to associate himself with that note of thanks and hoped that he would have the opportunity to meet the participants at future meetings

devoted to the implementation of the programme. Ms. A. Mashanyare thanked the participants for their kind words and paid tribute to their contributions and co-operation throughout the meeting.

90. Speaking on behalf of the three secretariats, Mr. S. Ndam expressed his gratitude to the participants for having made the meeting so successful. The initiative they had displayed and the foundations they had laid boded well for the lasting success of the integrated programme. The discussions had been both stimulating and enlightening: he looked to the long path ahead with confidence. He paid particular tribute to the Chairperson and Rapporteur, to the interpreters and support staff and he assured the experts that the secretariats would do their utmost, within the limits of their resources, to fulfil the task entrusted to them.

Annex I

LIST OF PARTICIPANTS

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